RESOLUTION NO. -16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WHEATLAND ADOPTING THE ANNUAL BUDGET, CONTROL
POLICIES AND APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2016-20167**

WHEREAS, the City of Wheatland's Proposed Budget for fiscal year 2016-2017 reflects the financial plan necessary to meet the City's needs in the coming year; and,

WHEREAS, the City Council of the City of Wheatland recognizes the need to continue to implement and enforce budget control policies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Wheatland as follows:

1. That the foregoing statements are true and correct.
2. That the City of Wheatland's 2016-20167 proposed budget is hereby adopted as the City's operating budget for fiscal year 2016-2017.
3. That the City will strive to maintain a balanced budget during fiscal year 2016-2017. Balanced budget is defined as:
   a. Operating revenues should equal or exceed operating expenditures and debt service obligations.
   b. Ending fund balances (or working capital in the enterprise funds) should meet or exceed minimum levels. For the general, water and sewer funds, the goal for fiscal year 2016-2017 is established at 25% of operating expenditures.
   c. Expenditures can exceed revenues in a given year only when beginning fund resources are used to fund capital improvements or other "one-time," non-recurring expenditures.
4. The City Council may amend the budget at any time after its adoption by a majority vote of the Council members.
5. The City will prepare and issue interim financial reports on the City's fiscal condition to the City Council and staff as may be required or prudent.
6. Each City department manager is charged with monitoring budgets that are under his/her responsibilities and controlling and limiting costs to stay within adopted budget amounts. The adopted budget is to be administrated on a "department total" basis and not a line item basis. If for some reason City service levels cannot be maintained utilizing the adopted budget amounts, a budget amendment proposal to the City Council will be requested prior to a department manager exceeding the original adopted budget amount.

7. Interfund Transfers and Loans. The City has established various special revenue, capital project and agency funds to account for revenues and deposits whose use is restricted to certain activities. Each fund exists as a separate accounting entity from other funds, with its own revenue sources, expenditures and fund equity.

   Anticipated transfers between funds for operating purposes are defined in the adopted budget and can be made by City staff in accordance with the adopted budget. These transfers, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons. From time-to-time, interfund borrowings may be needed and are approved by the City Council as follows: The Director of Administrative Services is authorized to approve temporary interfund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 60 days. A common example of interfund borrowing needs under this policy is for grant programs where costs are incurred on a reimbursement basis.

   Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council.

   The funding of development entitlement processes are to be from deposits received in advance of the City incurring costs. Both City staff and outside consultants are charged with coordinating the funding of these tasks to assure that deposits are received prior to incurring costs.

8. Pursuant to Article XIIIB of the California Constitution, the appropriations limit for the City of Wheatland for fiscal year 2016-2017 is hereby established as $4,317,016. The factors used to calculate the 2016-2017 appropriations limit are the percentage change in California per capita personal income of 5.37% and the percentage change in the County of Yuba population of minus 0.13%..

PASSED AND ADOPTED by the City Council of the City of Wheatland on the 28th day of June, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Jay Pendergraph, *Mayor*

_____
Lisa J. Thomason, *City Clerk*